

MINUTES
JOINT MEETING OF THE
MICHIGAN NATURAL RESOURCES COMMISSION
AND THE
MICHIGAN COMMISSION OF AGRICULTURE

APRIL 12, 2007

LANSING CENTER
333 E. MICHIGAN
LANSING

The Joint Meeting of the Natural Resources Commission and the Commissioner of Agriculture convened at 2:00 p.m.

Present for the Natural Resources Commission:

Keith Charters, Chairman
Mary Brown
John Madigan
Darnell Earley
Frank Wheatlake
Director Rebecca Humphries

Present for the Commission of Agriculture:

Jim Byrum, Chairman
Dale Norton
Todd Regis
Don Coe
Director Mitch Irwin

Update on Bovine Tuberculosis in Michigan

Dr. Steve Halstead, State Veterinarian for Department of Agriculture, presented a history of the Michigan bovine tuberculosis (TB) eradication program in Michigan. Much work has been done thus far, but it is imperative to continue pressing on to completely eliminate TB and to gain statewide TB-free status. The Department of Agriculture Fiscal Year 2007 (October 1, 2006 through September 30, 2007) testing results, to date, for cattle and private deer herds in the Modified Accredited Zone (northeastern Lower Peninsula) resulted in five infected beef herds and two infected dairy herds. Three of the herds were in Antrim County and the remainder were in the TB core area. One TB infected herd was detected in January 2007. Testing of a privately-owned cervid facility in the Modified Accredited Zone revealed TB in a herd, and the herd was subsequently depopulated. Testing results for chronic wasting disease were all negative.

Electronic identification for cattle is now done. This new identification process provides faster and more accurate animal tracking for TB disease control and eradication programs as well as reduced the number of animals impacted by quarantines with less intrusion. Increased testing efficiency, reduction in testing costs, and increased producer acceptance of the testing process are also benefits. Hopefully this will result in moving Michigan's TB zones to a higher status.

Dr. Halstead reported that a zoning order for the Modified Accredited Area became effective March 1, 2007. This order is consistent with the changes in the national program and is necessary to pursue TB free status in the current modified accredited zone.

Dr. Steve Schmitt, Veterinarian, Department of Natural Resources, reviewed the results of deer and elk TB surveillance for calendar year 2006. Prevalance of TB in deer in the core TB

NATURAL RESOURCES COMMISSION – MINUTES

APRIL 12, 2007

PAGE 2

area (DMU 452) increased to 2.3 percent in 2006, up from 1.2 percent in 2005. He stated that it is unknown at this time why the increase in prevalence, but it could be a number of factors including higher deer numbers, increased baiting, natural food production (acorns) being higher and deer concentrated more at these sources, environmental conditions being more conducive to survival of the virus, or just a random variation of prevalence. The long-term trend in prevalence rate is decreasing.

Dr. Schmitt reported that live deer testing for TB can be done through a blood test. Success has been achieved in capturing and field testing (blood test) deer and detecting those that are TB positive.

The United States Department of Agriculture (USDA) is testing vaccines to address the Michigan strain of TB. Thus far, the studies done on vaccines showed that the vaccine offers significant protection against disease caused by the Michigan strain of TB. Additional testing is being done.

Dr. Schmitt said that progress is being made in eradicating TB from Michigan's deer herd. However, eradication strategies cannot cease. More tools are being developed to achieve the goal of eradicating TB in Michigan.

NRC Chairman Charters questioned if there was increased illegal feeding and baiting in the TB zone. **Dr. Schmitt** replied that better compliance and enforcement is needed as well as more education on the hazards of feeding and baiting.

In the TB area, convictions in 2006 (292) appear to be down from 2005 (384); however, arrest data is incomplete as cases that involve court actions, hearings or trials can take up to a year before they appear as convictions on our records. Compliance in the no-bait counties was widely reported as declining, but complaints on illegal baiting activity were also down in 2006 (287) from 2005 (439). Preliminary information on convictions for illegal baiting in 2006 indicate that 60 percent of all arrests, statewide, came from the northeast Lower Peninsula counties that include the TB zone.

Discussion ensued regarding block permit issuance in the TB zone. **Commissioners Byrum and Coe** expressed concern regarding the delay in permit issuances due to the need for a field visit by DNR staff and the concern that, with the budget crisis, the delays will get longer. **Dr. Bill Moritz, Chief, Wildlife Division**, said the Wildlife Division is reviewing ways to streamline the block permit issuance process.

Feral Swine Working Group Update

Dr. Moritz and Dr. Halstead presented an update on the feral swine issue in Michigan and reported that sightings are close to fenced operations. It is difficult to keep the feral swine in a fenced area. Intentional releases have been reported in other states. Sightings have occurred throughout Michigan. Currently, 31 Michigan counties allow shooting of feral swine as long as a hunter has the required license to carry a firearm or archery equipment while afield.

* * *

Chairman Charters recognized Representative Steven Lindberg from Marquette.

* * *

Biofuels

Director Mitch Irwin presented an update on biofuel production and usage in Michigan and noted that there are eight biofuel plants either operating, being constructed, or proposed in

NATURAL RESOURCES COMMISSION – MINUTES
APRIL 12, 2007
PAGE 3

Michigan. This is an exciting new issue in Michigan that links biotechnology chemistry and agriculture.

Donna LaCourt, Assistant Chief, Forest, Mineral and Fire Management Division, said that Michigan has the fifth largest timberland resource in the world. Interest in cellulosic feedstock for biofuels is rapidly growing. This process would grow jobs and develop markets for unutilized fiber markets for fiber from sustainable forest management to perpetuate resource values. The manufacturing technology for liquid fuel production proven for electric and heat.

The role of the DNR in biofuel production is to be able to outline inventory of this type of feed stock. Location of the production facilities is very important. Discussion ensued.

Budget Presentations

Amy Epkey, Budget Officer, Michigan Department of Agriculture, presented the Department's budget overview and said no budget recommendations have been decided as of yet.

Sharon Schafer, Chief, Office of Budget and Support Services, DNR, reported on the DNR budget and noted that hunting and fishing license fee legislation is expected to be introduced.

Employer Support of the Guard and Reserve (ESGR)

Director Humphries and Director Irwin recognized the importance of employers supporting employees serving in the armed forces or who have families who serve.

Following are those who were recognized:

Sgt. Christine Medaugh (Laboratory Division, MDA), SSG Rob Witgen (Pesticide and Plant Pest Management Division, MDA), Sgt. Victoria Lischalk (Parks & Recreation), Sgt. Steve Lischalk (husband of Parks & Recreation employee Victoria Lischalk), Sgt. Luis Perez (LED Conservation Officer), Commander Robert E. Humphries (husband of Rebecca Humphries), Capt. Steven Burton (LED Conservation Sergeant), Col. Roland (Rollie) Johnson (Parks & Recreation), Sgt. Jeff Johnson (Intern – Parks & Recreation), Lt. Colonel Kelly Grumelot (Human Resources), Pvt. Brett Gloden (son of employee Teresa Gloden), Sgt. Troy Bahlau (LED Conservation Officer), Sgt. Gary Jones (Parks & Recreation), CSM Thomas E. Paquin, (Parks & Recreation - Cheboygan), Sgt. Ben Travis (Wildlife), Russell Jay Self (Jake) (father of employee Judy Gibson – Wildlife), Larry Green (Forest Fire Officer), Sgt. Robert Drumm (Uniformed guest in support of Sgt. Victoria Lischalk)

Gary Aten, Executive Director for the Michigan Committee for ESGR and Dick Snyder, Vice-Chair, Michigan Committee for ESGR, presented a plaque to each Department and offered them the opportunity to sign a statement of support on behalf of the DNR and MDA. **Mr. Snyder** said that companies and organizations that support the men and women who serve in the armed forces are to be commended.

Mr. Aten presented an “**Above and Beyond Award**” to Director Humphries and Law Enforcement Chief Alan Marble.

Resolution To Prevent The Establishment Of Feral Swine In Michigan

WHEREAS, Free-ranging swine are not among the native wildlife of Michigan and the free-ranging swine population that exists today is a combination of free-ranging pigs that have been captured elsewhere and released for the purpose of starting local wild, free-living populations, escaped or neglected domestic swine, and/or Eurasian wild boar that originated on

NATURAL RESOURCES COMMISSION – MINUTES

APRIL 12, 2007

PAGE 4

farms, privately owned cervidae (POC) facilities, game ranches, wild game breeding facilities, and other enclosed hunting ranches; and

WHEREAS, These swine are aggressive, destructive, and often difficult to contain with fences; and

WHEREAS, Feral swine in Michigan's open spaces cause crop damage, pose a serious threat to the health and welfare of domestic swine, endanger humans, impact wildlife populations, and impact the environment by disrupting ecosystems; and

WHEREAS, While there is no present indication that feral swine in Michigan are carrying diseases such as pseudorabies, brucellosis, bovine tuberculosis (TB), or trichinosis, the potential for this to become a serious problem exists; and

WHEREAS, Michigan's success in achieving pseudorabies and swine brucellosis free status through the 1980s and 1990s, and later experience with bovine TB in wildlife and cattle and the economic hardship that this disease has caused, strongly suggests that every precaution should be taken to stop the establishment of feral swine in Michigan's environment; and

WHEREAS, State law currently prohibits the importation and release of feral swine or swine crossbred with feral swine as this is a felony punishable by not less than \$1,000.00; and

WHEREAS, Biologists and professionals from other state departments of agriculture and natural resources have advised that typical penalties are inadequate to curb this illegal activity; and

WHEREAS, Ownership and ownership responsibility of escaped exotic swine from established facilities often cannot be established because current law may not require these animals to be tagged with official, unique identification; and

WHEREAS, There are no provisions in state law for regulatory oversight of the pursuit of swine and at least 40 facilities offer some sort of exotic swine shooting opportunities in Michigan; and

WHEREAS, To date, joint surveillance efforts by Michigan Department of Agriculture (MDA), DNR, and the United States Department of Agriculture, (USDA), Wildlife Services indicate that feral swine have been sighted in 31 Michigan counties and in three separate locations feral sows with piglets have been confirmed; and

WHEREAS, As MDA's Animal Industry Division Director and DNR's Wildlife Division Chief, have no confidence that swine can reliably be maintained in captivity under husbandry conditions such as those prevailing on privately-owned shooting ranches; and

WHEREAS, Wildlife and agriculture experts have serious concerns about the impact and risks related to feral swine populations and are troubled by the fact that existing law does not adequately consider these newly emerging pests; in addition, experience in other states demonstrates aggressive action is the only way to eliminate feral swine.

NOW, THEREFORE BE IT RESOLVED by the Joint Commissions on Agriculture and Natural Resources, that we recommend aggressive action to eliminate feral swine in order to protect animal health, public health, and the environment by directing the Michigan Departments of Agriculture and Natural Resources to pursue the following recommendations:

1. Ban all recreational shooting of swine behind fences.

NATURAL RESOURCES COMMISSION – MINUTES

APRIL 12, 2007

PAGE 5

2. Depopulate swine from all Michigan Privately Owned Cervid (POC) ranches, game ranches, wild game breeding facilities, and other enclosed hunting ranches.
3. Depopulate and seek indemnity for those swine described above not otherwise hunted for profit or sent to slaughter by a determined date.
4. Prohibit husbandry practices that involve raising swine for recreational shooting (such as wild pigs, razorbacks, piney-woods rooters, Russian and Eurasian boars, and crosses) for sale or transfer.
5. Prohibit the sale, importation, or transfer of swine for the purpose of recreational shooting.
6. Allow year-round shooting of feral swine as nuisance animals.
7. Increase fines related to the importation and release of feral swine into Michigan from other states and Canada.
8. Use federal funds to trap, test, and remove feral swine from private property.

BE IT FURTHER RESOLVED, That copies of this resolution be transmitted to the State Legislature, the Office of the Governor and agriculture and wildlife stakeholders.

For the Michigan Commission of Agriculture: Voting Yes: Commissioners Byrum, Norton and Regis. Commission Coe abstained.

For the Natural Resources Commission: Commissioner Brown made a motion, supported by Commissioner Madigan, for adoption. Voting Yes: Commissioners Brown, Madigan and Charters. Voting No: Commissioners Wheatlake and Earley. Motion carried 3-2.

* * *

The Joint Meeting of the Commissions of Agriculture and Natural Resources adjourned at 4:00 p.m.

NATURAL RESOURCES COMMISSION – MINUTES
APRIL 12, 2007
PAGE 6

PRESENT FOR THE COMMISSION

Keith Charters, Chair
Mary Brown
Darnell Earley
John Madigan
Frank Wheatlake

ABSENT FOR THE COMMISSION

Hurley Coleman
J. R. Richardson

PRESENT FOR STAFF

Jim Riley, Legal Counsel
Becky Humphries, Director
Dennis Fox, Chief of Staff
Dennis Fedewa, Chief Deputy
Mindy Koch, Resource Management Deputy
James Ekdahl, UP Field Deputy
Teresa Gloden, Assistant to the NRC
Other DNR Staff

COMMITTEE OF THE WHOLE

Chairman Charters called the Committee of the Whole meeting of the Natural Resources Commission (NRC) to order at 4:07 p.m. The Committee of the Whole meeting is a working session of the NRC.

Director's Action Items – Discussion

Director Humphries reviewed the Director's Action Items and asked if there were questions or comments.

Commissioner Madigan asked about Land Transaction Case #20050513 – Shingleton Forest Management Unit – Alger County. Staff responded that this will go up for auction and proceeded to explain the State land auction process.

Chairman Charters noted that the "City of Acme" as identified in Land Transaction Case #20060098, Petobego State Game Area – Grand Traverse County, should be changed to the "Township of Acme."

April 20 – No Student Left Behind Day

Pat Stewart, Office of Communications, reported that Governor Granholm has proclaimed April 20 as "No Student Left Behind Day" in Michigan. To date, more than 1000 students have signed up for activities in DNR facilities across Michigan and more are expected. Over 380 youth fishing licenses have been donated, as well as other donations to allow students to experience natural resources activities.

Public Forum Event: Saturday, April 14 At Jay's In Clare

Director Humphries noted that there will be a public forum held at Jay's Sporting Goods in Clare on Saturday, April 14. She and other DNR staff will be present to discuss the Hunting and

NATURAL RESOURCES COMMISSION – MINUTES
APRIL 12, 2007
PAGE 7

Fishing License Package Development Work Group recommendations and also to discuss possible fees legislation that is expected to be introduced.

Director Humphries thanked the Michigan United Conservation Clubs for hosting public discussion on the hunting and fishing license fees.

* * *

The Committee of the Whole meeting adjourned at 4:16 p.m. and the Public Appearances portion of the meeting convened at 4:17 p.m.

PUBLIC APPEARANCES

Steve Bartz
Dave Borgeson, Michigan Resource Stewards
Jeffrey DeJager
Clifford Delgesky
Keith Dentel, President, Michigan Traditional Bowhunters
Jason Dinsmore, MUCC
Dean Hall, representing archery hunters
Bruce Levey, Michigan Bow Hunters Association
George Lindquist, UP Whitetails of Marquette County
Tim Minge
Galen Schalk, Michigan Livestock Producers

George Lindquist, UP Whitetails of Marquette County, congratulated Commissioner Madigan on his reappointment. He referenced DNR's Deer Hunter Opinion Survey preliminary estimates dated March 8, 2007 and highlighted some issues he believes needs focus – the make-up of the deer herd. Herd health is also of importance. He believes more bucks would stimulate hunters.

Commissioner Madigan asked for assurance that Mr. Lindquist's comments were supported by UP Whitetails.

Galen Schalk, Michigan Livestock Producers, has noticed a rise in the deer population around DMU 452 (TB core area). He believes this may be a result of less doe licenses being issued or the loss of the early doe season. He believes the restrictions on baiting and feeding were beneficial but is concerned with the increased TB prevalence rate. **Director Humphries** thanked Mr. Schalk, for his coordination efforts in the TB area.

Bruce Levey, Michigan Bow Hunters Association, recommended holding implementation of revised crossbow regulations while the DNR works with the Michigan Bow Hunters Association on this issue. The Association is interested in transferring the authority on modified bows from the Legislature to the DNR. He would like the ad hoc committee on crossbows to reconvene for further discussion on the crossbow regulations.

Tim Minge believes more seniors and youths will hunt during bow season if crossbow regulations are modified. **Commissioner Madigan** noted that revenue is not the reason that consideration is being given to the crossbow regulations.

Jason Dinsmore, MUCC, supported long-term funding for natural resources protection and conservation, and stated that MUCC will provide an opinion on crossbows. **Mr. Dinsmore** referenced the MUCC Conservation Agenda for 2007. **Chairman Charters** questioned whether the National Rifle Association was invited to the recent meetings held to discuss long-term funding of natural resource programs. **Mr. Dinsmore** was not sure.

NATURAL RESOURCES COMMISSION – MINUTES
APRIL 12, 2007
PAGE 8

Dave Borgeson, Michigan Resource Stewards, supported the resolution passed earlier relative to feral swine. He believes further discussions need to be held on the crossbow regulations.

Clifford Delgesky said that TB and deer cannot coexist. He asked that TB be eradicated as quickly as possible and recommended increasing fines for those who feed and bait in the DMU 452 area. **Mr. Delgesky** has lost cattle to TB.

Dean Hall, representing archery hunters, thanked former Commissioner Garner for his service on the NRC and welcomed new Commissioner Richardson. **Mr. Hall** recommended that crossbow usage should be only allowed for those who qualify under the current crossbow permit or physical disabilities regulations.

Jeffrey DeJager, a deer hunter, opposed the proposed changes to the crossbow regulations. He believes there are several options to modify a conventional bow to allow for those who are disabled to utilize them.

Keith Dentel, President, Michigan Traditional Bowhunters, believes that the bow hunting season is longer because it is more difficult to hunt with a bow. He said if he were disabled, he wouldn't bow hunt.

Steve Bartz demonstrated a tool to assist disabled bow hunters to hunt other than by a crossbow. He recommended looking at options other than crossbows for use by disabled hunters.

* * *

The Public Appearances portion of the meeting adjourned at 5:28 p.m. and the Regular Meeting convened at 5:29 p.m.

APPROVAL OF MINUTES – MARCH 8, 2007 NATURAL RESOURCES COMMISSION MEETING

Commissioner Wheatlake made a motion, supported by Commissioner Earley, for approval. Motion unanimously carried.

ELK SEASON DATES AND REGULATIONS, WILDLIFE CONSERVATION ORDER, AMENDMENT NO. 4 OF 2007

Commissioner Madigan made a motion, supported by Commissioner Earley, for approval. Motion unanimously carried.

BLACK BEAR QUOTAS, WILDLIFE CONSERVATION ORDER, AMENDMENT NO. 5 OF 2007

Commissioner Madigan made a motion, supported by Commissioner Earley, for approval. Motion unanimously carried.

DIRECTOR'S ACTION ITEMS

Director Humphries approved all Director's Action items on the Agenda.

Director Humphries thanked **Representative Lindberg** for attending today's meeting.

NEW COMMISSIONER APPOINTMENT – J. R. RICHARDSON

Chairman Charters reported that Governor Granholm appointed J. R. Richardson from Ontonagon to the Natural Resources Commission replacing Bob Garner. Mr. Richardson is Operations Manager for Stone Container in Ontonagon. He was unable to attend the meeting due to bad weather. **Chairman Charters** looks forward to working with Mr. Richardson.

NRC COMMITTEE ASSIGNMENTS

Chairman Charters announced the following Committee Assignments:

NRC Policy Committee on Finance and Administration:

Commissioner Wheatlake (Chair), Commissioner Earley, Commissioner Richardson (alternate)

Upper Peninsula Habitat Work Group:

Commissioner Madigan (Chair), Commissioner Wheatlake. Commissioner Richardson (alternate)

NRC Policy Committee on Wildlife and Fisheries:

Commissioner Madigan (Chair), Commissioner Earley, Chairman Charters (alternate)

NRC Policy Committee on Land Management:

Commissioner Charters (Chair), Commissioner Coleman, Commissioner Richardson, Commissioner Brown

NRC Policy Committee on Technology, Information, Marketing and Education:

Commissioner Brown (Chair), Commissioner Coleman, Commissioner Earley (alternate)

Ex officio Committee on Legislative Liaison:

All Commissioners. Commissioner Wheatlake-Lead

OTHER COMMITTEE/WORK GROUP INVOLVEMENT

Michigan Natural Resources Trust Fund Board:

Commissioner Charters represents the NRC

Pigeon River Country State Forest Concept of Management Work Group:

Director Humphries

Citizen's Committee for Michigan State Parks:

Mary Brown (ex-officio Member)

Forest Management Advisory Committee

Commissioner Wheatlake

COMMITTEE REPORTS

NRC Policy Committee on Finance and Administration (See attached Minutes)

NRC Policy Committee on Wildlife and Fisheries (See attached Minutes)

RESOLUTION OF THE NATURAL RESOURCES COMMISSION
ON BALLAST WATER

Commissioner Madigan made a motion, supported by Commissioner Earley, for adoption.

WHEREAS, Aquatic invasive species and fish pathogens continue to have profound negative effects on many game fish species in the Great Lakes Basin that support a multi-billion dollar sport fishery; and

WHEREAS, Aquatic invasive species and fish pathogens continue to be introduced into the Great Lakes via ballast water discharge from ocean-going vessels at a rate of at least one new invasive every 9 months; and

WHEREAS, The most likely vector of transport for the newly introduced fish pathogen, Viral Hemorrhagic Septicemia (VHS), into the Great Lakes was via discharge of ballast water circa 2002; and

WHEREAS, Significant mortalities of several fish species in the Great Lakes has been attributed to VHS, including muskellunge in Lake St. Clair, yellow perch in Lake Erie, and walleye and lake whitefish in northern Lake Huron; and

WHEREAS, The invasion of VHS into the Great Lakes and the subsequent losses of fish species caused by VHS clearly highlights the need for regulations and controls on ballast water discharge; and

WHEREAS, The invasion of VHS has forced the eight Great Lakes States, the Tribes, and the Province of Ontario to adopt over 40 provisions as developed by the Great Lakes Fish Health Committee under the aegis of the Great Lakes Fishery Commission to control the spread of VHS; and

WHEREAS, Implementation of these provisions to control the spread of VHS will require a significant expenditure of funds and effort by the Department of Natural Resources without additional federal revenue to aid in such efforts; and

WHEREAS, Michigan has been testing for VHS in the State's fish hatchery system for the past 14 years and has yet to detect the virus in any State hatchery; and

WHEREAS, The Department of Natural Resources is committed to preventing the spread of VHS into the State's hatchery system and controlling the spread of VHS into the inland waters of the State that are held in public trust for the citizens of Michigan; and

WHEREAS, the sudden emergence of VHS in the Great Lakes has now forced the Department of Natural Resources to institute a moratorium on the production of walleye, northern pike, and muskellunge for 2007, which will result in significant economic impacts throughout the State; and

WHEREAS, the most significant human-induced avenue for the introduction and spread of aquatic invasive species and fish pathogens, including VHS, into and throughout the Great Lakes Basin is the transport and subsequent discharge of ballast water throughout the Great Lakes.

NOW, THEREFORE, BE IT RESOLVED that the Natural Resources Commission requests Michigan's Federal Congressional Delegation and the United States Congress to develop and pass comprehensive legislation to regulate and control the introduction and spread of aquatic invasive species and disease pathogens resulting from the discharge of ballast water into the

NATURAL RESOURCES COMMISSION – MINUTES

APRIL 12, 2007

PAGE 11

Great Lakes from both ocean-going vessels and those vessels that operate solely within the waters of the Great Lakes.

A copy of this resolution will be submitted to the Office of the Governor, the State Legislature, the Michigan Federal Congressional Delegation, the Association of Fish and Wildlife Agencies, the Great Lakes Fishery Commission, the Office of the Great Lakes, and other partners as determined by the Director of the Michigan Department of Natural Resources.

Motion unanimously carried.

COMMISSIONER REPORTS

Commissioner Earley stated that, the reason he voted no on the Feral Swine Resolution earlier was because he needed more information and time to digest the information presented. He said he could support the resolution.

* * *

The Meeting adjourned at 5:50 p.m.

NRC POLICY COMMITTEE ON FINANCE AND ADMINISTRATION
APRIL 12, 2007

LANSING CENTER
333 E. MICHIGAN
LANSING

9:00 A.M.

Committee Chairman Wheatlake and Commissioner Earley were present for the Committee. Commissioners Charters, Madigan and Brown were also present.

Asset Allocation Recommendations

Mark Haas, Chief Deputy Director, Department of Treasury, introduced **Woody Tyler** who manages the DNR's equity investments and **Paul Nelson** who manages the DNR's fixed income for the Department of Treasury.

Mr. Haas stated that the State Treasurer invests in 414 State funds including the six DNR funds which have investment reserves. In order to get the maximum interest on these funds, the money is pooled. Although most State funds have a positive balance, at times a fund has a deficit balance. At that time, money is borrowed from other funds and is paid back with interest. He continued to explain common cash and the State budget and said in May, there is a cash flow problem when the School Aid payment is made. He doesn't think this will have a bearing on DNR funds, however.

Chairman Charters asked for clarification on the comment Mr. Haas made where he said that he didn't think that the School Aid payment problem would be detrimental to DNR funds. Mr. Haas responded that he has a lot of faith in the Governor and the Legislature to solve this problem. **Chairman Charters** suggested that the passage of Proposal 1 in 2006 which protected DNR's restricted funds, should have some bearing on protection of these funds. Mr. Haas responded that the money from the DNR's restricted funds are protected and safe to the extent that the stock and bond markets don't go down. He doesn't believe there is anything to worry about.

Dennis Fedewa, Chief Deputy, noted that it is likely that the May State budget cash flow issues are likely to be managed. What about succeeding months in this fiscal year? **Mr. Haas** responded that the projections that were assembled and presented to the Legislature in mid-March could fluctuate based on income tax and single business tax refunds/payments, and the timing of payments and due dates. Also in the March projections were projections for July, August and September where there are also shortfalls that cannot be fixed based on timing of payment and due dates. In this case, the budget is unbalanced.

Discussion ensued on DNR's investments.

Budget Update 2006-2007

Dennis Fedewa said the current fiscal year Executive Order (EO) was issued to resolve fund shortfalls which was rejected by the Senate. A second EO was issued and adopted. He also said Senate Bill 220 was introduced and reviewed the details of that Bill. This bill has passed the Senate but is awaiting action in the House of Representatives. Discussion ensued on the impact of the proposed cuts. A large portion of the cuts will affect the State forestry program. **Fedewa** said that the projected shortfall is likely to increase because of no decisions being made this late in the fiscal year.

Budget Update 2007-2008

Sharon Schafer, Chief, Office of Budget and Support Services, reviewed the proposed budget for fiscal year 2007-2008 but explained this is very early in the budget process. The proposed budget assumed that a hunting and fishing license fee package will be approved.

Chairman Wheatlake recognized **Representative Matt Gillard** who reported that it is expected that he will introduce a bill in the House of Representatives relative to hunting fees. **Tina Reynolds, representing Senator Liz Brater**, noted that the Senator will introduce legislation in the Senate relative to fishing fees. It is hoped that these will be introduced in the next week.

The DNR and NRC thanked **Representative Gillard and Senator Brater** for their leadership. **Chairman Charters** noted that they are the heroes of the day in taking the courage to help save the State's resources.

Annual Funds Review

Jane Schultz, Office of Budget and Support Services, reviewed the DNR's Restricted Revenue Balances as of September 30, 2006, including Forestry, Game and Fish, Parks, Snowmobile and ORV, Waterways, and Miscellaneous Funds. She then reviewed the permanent investment ending balances as of September 30, 2006 for the Game and Fish Protection Trust Fund, Michigan Civilian Conservation Corps Endowment Fund, Natural Resources Trust Fund, Nongame Fish and Wildlife Trust Fund, and State Parks Endowment Fund.

Asset Allocation Recommendations

Joe Frick, Chief, Office of Financial Services, reviewed the current asset allocation recommendations that have been submitted to the Department of Treasury. He noted that Treasury has followed closely the recommended allocations. At this time, he noted that the DNR is not unhappy with the distributions as they are currently.

Chairman Charters noted that with common cash rates at 5.3 percent, anything earned above that is a bonus. He recommended keeping investment ratios at least where they are. **Wheatlake** suggested being more aggressive with the Natural Resources Trust Fund. **Mr. Nelson** stated that adjustments in the investment allocations can be changed at any time. Discussion ensued.

Chairman Wheatlake requested that we review the Park Endowment Fund and consider altering it to a 50/50 (equity/fixed) ratio. He requested that staff come back at a future meeting with some worst/best case scenarios.

Chairman Wheatlake reported that the DNR is getting a fair share of Federal funds. From Dingell-Johnson Funds, Michigan is sixth in the nation. Those funds are based on land mass and the number of anglers. These funds require a match of 25 percent. Michigan is fourth in the nation relative to Pittman-Robertson Funds. These funds are based on land mass and the number of hunters. The funds have the same match requirements as Dingell-Johnson. He said that the DNR is doing a great job in gaining these opportunities.

The meeting adjourned at 10:25 a.m.

NRC POLICY COMMITTEE ON WILDLIFE AND FISHERIES

APRIL 12, 2007

LANSING CENTER
333 E. MICHIGAN
LANSING

10:30 A.M.

Michael Bailey, Wildlife Division, presented the proposed fall turkey quotas, hunt units, and dates. The number of available General licenses would be slightly higher than last year. The dates for this year would be Oct. 8 through Nov. 14. But, in the future, the season will always open on the Monday after Oct. 1. Unit M was combined with the surrounding UP units and expanded to certain road boundaries similar to the Spring Turkey hunt boundary. There are 38,957 square miles proposed to be open for fall turkey hunting in 12 hunt units.

Bill Moritz, Wildlife Division, presented the proposed changes for nuisance species. To be compliant with Act 190, POC changes are recommended to standardize the hours that must pass before culling an escaped cervid (would now be 48 hours). DNR employees may take escaped cervids under scientific collector's permit. Hunters may take escaped cervids if they have a valid Michigan hunting license and harvest them within small game hunting shooting hours. The DNR also proposed that the NRC allow the taking of House sparrows and starlings by means other than shooting, which is already legal, without a permit.

Alan Marble, Law Enforcement Division, presented proposed changes to crossbow and laser sighting device regulations. Currently, an 80% disability is needed to qualify for a crossbow; a 60% disability is recommended. In addition, anyone 65 years or older would be allowed to use a crossbow without a special permit. Lastly, it was recommended that only a physical therapist certification be needed not a signed doctor's statement as well.

The proposed laser sighting device recommendation is to change the language to allow a disabled hunter to use a laser sighting device by special permit, which could be issued by the Resource Deputy on a case by case situation.

Bill Moritz clarified the proposed bear quota recommendations. There was a recommendation to increase the Baldwin and Gladwin BMUs due to the southern expansion of the bear population. Although there was not a recommendation to change the total number of licenses sold, it was recommended to change the number of licenses available in certain hunt periods. The recommended quotas are predicted to result in annual bear population changes of the following: 1% increase in the WUP; 5% increase in the EUP; and 4% decrease in the NLP.

Gary Whelan, Fisheries Division, provided an overview of the DNR Fish Production System. Gary explained their management purposes, what fish are produced and where, and key factors within hatchery production. He also explained rearing locations and what their current egg disinfection process is in relation to cold and cool water fish production.

Kelley Smith, Fisheries Division, explained the issues related to ballast water discharge and the correlation with emergence of VHS. The presence of VHS in Michigan's waters of lakes Huron, Erie, and St. Clair has now forced Fisheries Division to place a 1-year moratorium on the hatchery production and stocking of cool water species, including walleye, northern pike, and muskellunge. In addition, the federal Emergency Order issued by USDA-APHIS to prevent the spread of VHS has placed stringent and unnecessary restrictions on fishing tournaments. None of these actions would have been necessary if federal legislation had been enacted over the past

NATURAL RESOURCES COMMISSION – MINUTES

APRIL 12, 2007

PAGE 15

25 years to control ballast water discharge, thus preventing the introduction of aquatic invasive species and disease pathogens into the Great Lakes. Therefore, DNR is requesting the NRC to adopt a resolution requesting the United States Congress to pass legislation to effectively control ballast water discharge in the Great Lakes. The resolution would be sent to the Governor, the Michigan Congressional Delegation, the DEQ, Office of the Great Lakes, and others.

Bill Moritz outlined a feral swine resolution, which was to be presented at the Joint Commission meeting later in the day. The resolution outlined the Michigan feral swine situation and the need to rid Michigan of this impending problem. Feral swine are considered domestic animals and are beginning to populate other States. Michigan has feral swine verified in 40 counties. Over 30 counties are allowing the removal of these animals by individuals who hold valid hunting licenses. The resolution recommends the abolishment of feral swine recreational hunting behind fences and the year-round removal of these animals on public land.

The cormorant presentation was held until next month due to time constraints.

The meeting adjourned at 12:25 p.m.